

Dated: March 19, 2019




Paul Sala, Bankruptcy Judge

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IN THE UNITED STATES BANKRUPTCY COURT
IN AND FOR THE DISTRICT OF ARIZONA

In Re:

REGENCY PARK CAPITAL 2011, INC.
dba SUPER 8 GOODYEAR,

Debtor,

Chapter 11 Proceedings

No. 2:15-bk-15280-PS

**ORDER CONFIRMING SARAH
SINGH'S PLAN OF LIQUIDATION
DATED AUGUST 16, 2016, AS
MODIFIED**

Creditor, equity security holder, and plan proponent Sawaranjit Sarah Singh ("Mrs. Singh" or the "Proponent") filed her Plan of Liquidation Dated August 16, 2016 and modifications thereto on December 18, 2018 [Doc. 430] and January 17, 2019 [Doc. 445].

Status hearings on confirmation of the Plan of Liquidation were held at different times during 2016 through 2018; and a trial was held on January 28, 2019 and February 13, 2019.

Based on the entire record in this case, **THE COURT FINDS AND CONCLUDES** as follows:

1. The Debtor owns and operates a Super 8 Motel (the "Motel"). Mrs. Singh and Ranjit Singh ("Mr. Singh"), who are divorcing, have owned all of the Debtor's stock since its formation. Since the petition date, the Debtor and Motel have been managed by Mr. Singh.

2. On August 16, 2016, Mrs. Singh filed her Plan of Liquidation Dated August 16, 2016 [Doc 176], which calls for an auction sale of the Motel, with Jaswant Toor serving as the stalking horse.

1 3. Mr. Toor has made an opening bid for the Motel of \$3.125 million, has put
2 up the required \$250,000 deposit, and has sufficient cash and liquid resources to pay the
3 bid price at closing.

4 4. On December 18, 2018 [at Doc. 430] and again on January 17, 2019 [at Doc.
5 445], Mrs. Singh filed modifications (the “Modifications”) to the Liquidating Plan
6 providing, among other things, for the Liquidating Agent to take over control and
7 management from Mr. Singh on the Plan’s Effective Date. The Plan of Liquidation Dated
8 August 16, 2016, as modified by the Modifications, is hereafter referred to as the “Plan.”

9 5. There are few creditors in this case. The primary creditor is the mortgage
10 claimant, Extensia. Extensia cast a ballot in favor of the Plan and has confirmed that the
11 Modifications do not impact its vote in favor of the Plan.

12 6. A trial on confirmation of the Plan was held on January 28, 2019 and
13 February 13, 2019. Mr. Singh was the only objector to the Plan at the time of trial.

14 7. Mr. Singh and Mrs. Singh filed a Joint Pretrial Statement [Doc. 447]. Except
15 for the assertion that the Plan satisfied the 11 U.S.C. §1129(a)(8) with respect to Class 5
16 Equity Interests, the court adopts the uncontested facts listed therein and hereby
17 incorporates them by reference as if fully set forth herein.

18 8. The requirements for confirmation of the Plan set forth in 11 U.S.C. §1129
19 have been satisfied.

20 9. The Plan complies with the applicable provisions of title 11.

21 10. The Proponent has complied with the applicable provisions of title 11.

22 11. The Plan has been proposed in good faith and not by any means forbidden by
23 law.

24 12. Except as provided in the Plan, any payment to be made for services or for
25 services and expenses in or in connection with the case, or in connection with the Plan and
26 incident to the case, is subject to the approval of the Court as reasonable.

1 13. The Proponent of the Plan has made any disclosures required by 11 U.S.C.
2 §1129(a)(5).

3 14. With respect to each impaired class of claims or interests, each holder of a
4 claim or interest of such class has accepted the Plan or will receive under the Plan on
5 account of such claim or interest property of a value, as of the Plan's Effective Date, that is
6 not less than the amount that such holder would so receive or retain if the Debtor was
7 liquidated under chapter 7 of title 11 on such date. The Plan therefore satisfies the
8 requirements of 11 U.S.C. §1129(a)(7).

9 15. With respect to each class of claims or interest that is entitled to vote on the
10 Plan, either (i) such class has accepted the Plan; (ii) such class is not impaired under the
11 Plan; or (iii) the Plan does not discriminate unfairly, and is fair and equitable with respect
12 to such class. Specifically, with respect to the Class 5 Equity Interests of which Mr. Singh
13 is an interest holder, the Plan does not discriminate unfairly and is fair and equitable to that
14 class within the meaning of, and in compliance with, 11 U.S.C. §1129(b).

15 16. There are no claims of any kind specified in sections 507(a)(4), 507(a)(5),
16 507(a)(6), or 507 (a)(7), or 507(a)(8). The Plan satisfies the requirements of 11 U.S.C.
17 §1129(a)(9).

18 17. The Plan satisfies the requirements of 11 U.S.C. §1129(a)(10), as at least one
19 class of claims that is impaired under the Plan has accepted the Plan, determined without
20 including any acceptance of the Plan by an insider.

21 18. The Plan satisfies the requirements of 11 U.S.C. §1129(a)(11), as
22 confirmation of the Plan is not likely to be followed by the liquidation, or the need for
23 further financial reorganization, of the Debtor or any successor to the Debtor under the
24 Plan, except as proposed in the Plan.

1 19. The Plan satisfies the requirements of 11 U.S.C. §1129(a)(12), as all fees
2 payable under section 1930 of title 28 have been paid or the Plan provides for payment of
3 all such fees on the Plan's Effective Date.

4 20. The provisions of Bankruptcy Code §1129(a)(6), (13), (14), and (15) do not
5 apply here.

6 21. Notice of the Modifications was provided to interested parties. The
7 Modifications do not negatively affect the treatment afforded any class of creditors' claims
8 and no creditors have objected to them. The Plan as modified meets the requirements of 11
9 U.S.C. §1122 and 1123.

10 22. The Proponent has complied with 11 U.S.C. §1125 with respect to the Plan
11 as modified.

12 23. Eric Haley is a reasonable and appropriate choice as the Plan's Liquidating
13 Agent, and his \$300 per hour rate is reasonable and appropriate.

14 24. Under Mr. Singh, the Motel's performance trailed the national industry
15 averages, and the Debtor's financials are not in conformity with industry norms.

16 25. The Plan's provisions calling for the Liquidating Agent to take over control
17 and management from Mr. Singh on the Plan's Effective Date are appropriate.

18 26. The court's other findings of fact and conclusions of law made in open court
19 on March 13, 2019 are hereby incorporated by reference as if fully set forth herein.

20 Good cause appearing, **IT IS HEREBY ORDERED, ADJUDGED AND**
21 **DECREED** that:

22 A. The Plan, as modified by the Modifications and a copy of which is attached
23 hereto as Exhibit A, is hereby confirmed.

24 B. The Plan's Effective Date shall occur fourteen (14) calendar days after entry
25 of this Order.

1 C. Eric Haley's appointment as the Liquidating Agent is hereby approved, and
2 his \$300 hourly rate is also approved. In accordance with the Plan, the Liquidating Agent
3 also shall be entitled to reimbursement of actual out-of-pocket costs.

4 D. The Liquidating Agent shall take over control and operation of the Debtor
5 and the Motel on the Plan's Effective Date, including taking possession of all of the
6 Debtor's real property, personal property, fixtures, equipment, and records. The Debtor's
7 current management, under Mr. Singh, shall cooperate and assist with the orderly transfer of
8 such control and operation, including the turnover to the Liquidating Agent of all of the
9 Debtor's cash, funds, bank accounts, accounting and business records (or copies thereof),
10 insurance policies, and a list of all contractors and vendors used by the Debtor.

11 E. From and after the Effective Date, the Liquidating Agent is authorized to
12 perform and provide services and take actions appropriate to operate, manage, maintain, and
13 preserve the Motel and other Property.¹ The Liquidating Agent shall (i) make all personnel
14 decisions, including the hiring or firing of employees (including any of the Debtor's
15 existing officers or Motel supervisors); (ii) oversee and approve all disbursements; and (iii)
16 oversee and make all property management decisions.

17 F. The Liquidating Agent is hereby fully authorized to liquidate, on behalf of the
18 Debtor, the Property, including the Motel, in accordance with the Plan. ///

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¹ Except as otherwise defined herein, all capitalized terms shall have the same meanings set forth in the Plan.

1 G. The Liquidating Agent may employ and retain a property manager or any
2 person or firm necessary to operate, manage, maintain, and preserve the Motel or to employ
3 such other persons as the Liquidating Agent deems necessary to assist in the discharge of
4 the Liquidating Agent's duties.

5 H. The Liquidating Agent is authorized to issue demands upon public utilities
6 which provides services to the Debtor to transfer billing accounts, or to continue to utilize
7 the same accounts but with changes of billing addresses to the Liquidating Agent, for such
8 services together with any deposits held by the utility to the exclusive control of the
9 Liquidating Agent.

10 I. The Liquidating Agent is authorized to issue demands in the name of the
11 Liquidating Agent and Debtor/Motel upon the U.S. Postal Service and any private mail
12 service providers to gain exclusive possession and control of such postal boxes or other
13 delivery points as may have been used by the Motel for the receipt of mail.

14 J. The Liquidating Agent is authorized to request assistance of law enforcement
15 officials, or hire private security services, when taking possession of the Motel or at any
16 time thereafter during the discharge of his duties if, in the Liquidating Agent's opinion, such
17 assistance is necessary to preserve the peace or otherwise.

18 K. The Debtor's current management, under Mr. Singh, shall file monthly
19 operating reports for all periods through the Effective Date.

20 L. The Liquidating Agent shall file all post-confirmation quarterly reports.

21 M. The Liquidating Agent shall not be responsible for filing any tax returns for
22 periods prior to his appointment. Further, the Liquidating Agent shall not be responsible for
23 filing any tax returns for 2019 or thereafter unless (i) agreed to by Mr. Singh, Mrs. Singh,
24 and the Liquidating Agent and (ii) the needed records have been supplied to the Liquidating
25 Agent.

1 N. Unless otherwise provided by law, the reversal or modification of this Order
2 on appeal shall not affect the validity of the Plan, or any agreement or action authorized by
3 this Order or under the Plan that occurs or is taken by the Liquidating Agent or any person
4 or entity acting in good faith, whether or not that person or entity knows of the appeal,
5 unless this Order is stayed pending appeal.

6 O. The Court shall retain jurisdiction of the Cases pursuant to, and for the
7 purposes of, 11 U.S.C. §§ 105 and 1127, and for the purposes set forth in the Plan.

8 P. In the event any party violates the terms of this Order, the Liquidating Agent
9 may petition this Court to issue an Order to Show Cause why such party should not be
10 found to be in contempt and impose appropriate sanctions and penalties.

11 Q. In the event of any inconsistency between the terms of the Plan and this
12 Order, the terms of this Order shall control.

13 **ORDERED, SIGNED AND DATED ABOVE.**

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20 COPY of the foregoing emailed
March 14, 2019 to:

21 Keith M. Knowlton, Esq.
22 Keith M. Knowlton, LLC
23 9920 S. Rural Road, Ste. 108
PMB#132
24 Tempe, AZ 85284-4100
keithknowlton@msn.com
Attorneys for Ranjit Singh

25 By /s/ Sharon Kagley
26

Exhibit A

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IN THE UNITED STATES BANKRUPTCY COURT
IN AND FOR THE DISTRICT OF ARIZONA

In Re:

REGENCY PARK CAPITAL 2011, INC. dba
SUPER 8 GOODYEAR,

Debtor,

Chapter 11 Proceedings

No. 2:15-bk-15280-PS

**PLAN OF LIQUIDATION DATED
AUGUST 16, 2016 AS MODIFIED**

INTRODUCTION

Pursuant to 11 U.S.C. § 1125, Sawaranjit Sarah Singh (“Mrs. Singh” or “Plan Proponent”) submits this Plan of Liquidation Dated August 16, 2016 (referred to herein as the “Plan”) for the resolution of the claims and interests of creditors and equity holders of Regency Park Capital 2011, Inc., Debtor and Debtor-In-Possession (“Debtor”). All creditors and parties in interest should refer to the Disclosure Statement sent along with this Plan for a discussion of the Debtor’s history, business, properties, risk factors, and for a summary and analysis of the Plan and related matters. All creditors are encouraged to read the Plan, the Disclosure Statement and the related materials in their entirety before voting to accept or reject the Plan. Subject to the restrictions on modifications set forth in § 1127 of the Bankruptcy Code, Bankruptcy Rule 3019,

1 and the Plan, the Plan Proponent expressly reserves the right to alter, amend, modify or revoke this
2 Plan, one or more times, before the Plan's substantial consummation.

3 **ARTICLE I: DEFINITIONS, RULES OF CONSTRUCTION, AND**
4 **COMPUTATION OF TIME**

5
6 A. Defined Terms. For purposes of this Plan, except as expressly provided or
7 unless the context otherwise requires, all capitalized terms used in this Plan shall have the
8 meanings ascribed to them below.

9
10 1. Administrative Expense Claims means claims and expenses which are
11 allowed pursuant to § 503(b) of the Bankruptcy Code and which are entitled to priority pursuant to
12 § 507(a)(1) of the Bankruptcy Code.

13 2. Allowed Claim means a Claim (a) with respect to which a Proof of
14 Claim has been filed with the Court within the applicable period of limitation fixed by the Federal
15 Rules of Bankruptcy Procedure, Rule 3003, or (b) scheduled in the list of Creditors prepared and
16 filed with the Court pursuant to Federal Rules of Bankruptcy Procedure, Rule 1007(b) and not
17 listed as disputed, contingent or unliquidated as to amount, and in either case, as to which no
18 objection to the allowance thereof has been filed within any applicable period of limitation fixed
19 by Federal Rules of Bankruptcy Procedure, Rule 3007, the Plan, an order of the Court, or as to
20 which any such objection has been determined by an order or judgment which is no longer subject
21 to appeal and as to which no appeal is pending. An Allowed Claim shall not include unmatured or
22 post-petition interest unless otherwise provided in the Plan.

23 3. Allowed Secured Claim means a Claim that is both an Allowed Claim
24 and a Secured Claim.

25 4. Allowed Unsecured Claim means a Claim that is both an Allowed Claim
26 and an Unsecured Claim.

5. Avoidance Actions means a lawsuit commenced pursuant to Bankruptcy
Code §§544, 547, 548, 549, and/or 550 to recover for the benefit of the Estate, a transfer of
property to a third party.

6. Ballot means the ballot for accepting or rejecting the Plan which will be
distributed to holders of Claims in Classes that are impaired under this Plan and are entitled to vote
on this Plan.

7. Bankruptcy Code means the Bankruptcy Reform Act Of 1978,

1 sometimes referred to as the Bankruptcy Code Of 1978, as contained in Title 11 U.S.C.A. § 101, et
2 seq., and all amendments thereto.

3 8. Bankruptcy Court means the United States Bankruptcy Court for the
4 District of Arizona, Phoenix Division, or any other court that exercises jurisdiction over all or part
5 of the Bankruptcy Case, including the United States District Court for the District of Arizona to
6 the extent that the reference of all or part of the Bankruptcy Case is withdrawn.

7 9. Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure
8 promulgated under 28 U.S.C. § 2075 and the local rules of Court, as applicable during the term of
9 the Bankruptcy Case.

10 10. Bankruptcy Case means the above-captioned Chapter 11 case.

11 11. Business Day means every day except Saturdays, Sundays, and holidays
12 observed by the Bankruptcy Court.

13 12. Calendar Day means every day, including Saturdays, Sundays, and
14 holidays.

15 13. Cash means any legal tender of the United States.

16 14. Cash Collateral means cash, negotiable instruments, documents of title,
17 securities, deposit accounts, or other cash equivalents whenever acquired in which the estate and
18 an entity other than the estate have an interest and includes the proceeds, products, offspring, rents,
19 or profits of property subject to a security interest as provided in § 552(b) of the Bankruptcy Code,
20 whether existing before or after the commencement of a case under Title 11 of the Bankruptcy
21 Code.

22 15. Cash Collateral Agreement means the Debtor's Cash Collateral
23 Agreement with Secured Creditor Extensia Financial, which was approved by the Court after
24 notice and hearing.

25 16. Causes of Action means any and all actions, proceedings, causes of
26 action, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to
equitable remedies, rights to payment and claims (as defined in Section 101(5) of the Bankruptcy
Code), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated,
unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured
and whether asserted or assertable directly or derivatively, in law, equity or otherwise.

17 17. Chapter 11 means sections in the Bankruptcy Code 11 U.S.C. § 101, et
18 seq., Public Law 95-598, effective October 1, 1979, as amended, unless otherwise specified.

19 18. Claim means a right of any Person to (1) payment from the Debtor,
20 whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent,
21 matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (2) an
22 equitable remedy for breach of performance if such breach gives rise to a right to payment,

1 whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent,
2 matured, unmatured, disputed, undisputed, secured or unsecured.

3 19. Claimant means a holder of a Claim.

4 20. Class means one or more creditors grouped together as defined herein.
5 The Plan is intended to deal with all Claims against the Debtor of whatever character, whether or
6 not contingent or liquidated, and whether or not allowed by the Court pursuant to § 502(a) of the
7 Bankruptcy Code. However, only those Claims allowed pursuant to § 502(a) of the Bankruptcy
8 Code will receive payment under the Plan.

9 21. Collateral means property which is pledged as security for the
10 satisfaction of a debt.

11 22. Confirmation means the formal approval of the Bankruptcy Court of a
12 Plan of Reorganization.

13 23. Confirmation Date means the date upon which the Confirmation Order
14 is entered by the Court.

15 24. Confirmation Hearing means the hearing regarding confirmation of the
16 Plan conducted by the Bankruptcy Court pursuant to Bankruptcy Code § 1128, including any
17 adjournment or continuation of that hearing from time to time.

18 25. Confirmation Order means the Final Order of the Court determining that
19 the Plan meets the requirements of Chapter 11 of the Bankruptcy Code and is entitled to
20 Confirmation.

21 26. Creditor means a person or entity holding a Claim against the Debtor for
22 the debts, liabilities, demands or Claims of any character whatsoever, as defined in § 101(4) of the
23 Bankruptcy Code.

24 27. Debtor means Regency Park Capital 2011, Inc. dba Super 8 Goodyear.

25 28. Disclosure Statement means the Disclosure Statement In Support of the
26 Plan as it may be amended or supplemented.

27 29. Disputed Claim means every Claim: (a) that is scheduled by the Debtor
28 as disputed, contingent, or unliquidated; and/or (b) that is not an Allowed Claim.

29 30. Effective Date means the date that is defined in Plan §5.1.

30 31. Equity Interest or Interest Holder means the interest held by the Debtor.

31 32. Estate means the bankruptcy estate of the Debtor created under
32 Bankruptcy Code § 541.

1 33. Estate Claim means any and all of the Debtor's and the Estate's claims
2 and Causes of Action under applicable non-bankruptcy and bankruptcy law (the "Estate Claims"),
including (without limitation) Avoidance Actions.

3 34. Executory Contract means every unexpired lease and other contract
4 which is subject to being assumed or rejected under Bankruptcy Code § 365.

5 35. Exhibit means any document attached to either this Plan or attached as
6 an appendix to the Disclosure Statement.

7 36. Final Order means an order of the Bankruptcy Court which, not having
8 been reversed, modified or amended and not being stayed and the time to appeal from which or to
9 seek review or rehearing of which having expired, and no such appeal, review, certiorari or
rehearing is pending, has become conclusive of all matters adjudicated thereby and in full force
and effect.

10 37. Impaired/Impaired Class means, under § 1124 of the Bankruptcy Code,
11 a Class Of Claims is impaired under a Plan unless, with respect to each Claim of such Class: (i) it
12 is paid in full on the Effective Date of the Plan; (ii) the Plan leaves unaltered the legal, equitable
13 and contractual rights to which such Claim entitles the holder to such Claim; or (iii) all defaults are
cured, the original maturity of the Claim is reinstated and the Claim is otherwise treated as
provided in clause (ii) above.

14 38. Interest means the equity rights of the Debtor.

15 39. Lien means a lien as described in Section 101(37) of the Bankruptcy
16 Code except for a lien that has been avoided in accordance with Sections 544, 545, 546, 547, 548,
or 549 of the Bankruptcy Code.

17 40. Motel means all of the Debtor's Real Property and Personal Property
18 located at 840 N. Dysart Road in Goodyear, Arizona.

19 41. Person means an individual, corporation, partnership, joint venture,
20 association, joint stock company, limited liability company, limited liability partnership, trust,
21 estate, unincorporated organization, governmental unit (as defined in Section 101(27) of the
Bankruptcy Code), or other entity (including, without limitation, the Creditors' Committee).

22 42. Petition Date means December 1, 2015, the date on which the Debtor
filed its voluntary petition.

23 43. Personal Property means all personal property owned by Debtor.

24 44. Plan means this Plan of Reorganization propounded by Plan Proponent
25 and every modification thereof.

26 45. Plan Confirmation means the entry by the Court of an order confirming
the Plan.

1 46. Property means all real and personal Property (individually or as a
2 whole) of the Estate of the Debtor as previously or hereafter determined by Final Order of a court
3 of competent jurisdiction and/or as defined in § 541 of the Bankruptcy Code, including, but not
4 limited to, any and all claims or causes of action in favor of the Debtor against third parties (except
5 as otherwise provided herein).

6 47. Proponent means the Person who is proposing the Plan of
7 Reorganization.

8 48. Pro Rata means proportionally, so that the ratio of the consideration
9 distributed on account of an Allowed Claim in the Class (or sub-class) and consideration
10 distributed on account of all Allowed Claims in the Class (or sub-class) is the same as the ratio of
11 the Allowed Claims in the Class (or sub-class).

12 49. Real Property means all real property or real estate.

13 50. Scheduled means any Claim or Interest, the status, priority and amount,
14 if any, of such Claim or Interest as set forth in the Schedules.

15 51. Schedules means the schedules of assets and liabilities and the statement
16 of affairs filed in the Chapter 11 case by the Debtor, as such schedules or statement has been or
17 may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009 or
18 orders of the Bankruptcy Court.

19 52. Secured Claim(s) means any Claim, other than a Tax Claim, secured by
20 Property of the Debtor under a duly perfected security interest, to the extent of the value of the
21 Collateral (security), as determined in accordance with § 506 of the Bankruptcy Code.

22 53. Secured Creditor(s) means any Creditor(s), other than taxing entities,
23 who holds a Lien, security interest or other encumbrance which has been properly perfected as
24 required by law with respect to Property owned by the Debtor.

25 54. Unsecured Claim(s) means any Claims not secured by collateral of the
26 Estate.

 55. Unsecured Creditor(s) means any creditor(s) of the Debtor holding
Unsecured Claims of any character whatsoever, except Claims entitled to priority pursuant to §
507 of the Bankruptcy Code.

 B. Undefined Terms. Terms and phrases, whether capitalized or not, that are
used and not defined herein, but are defined by the Bankruptcy Code, have the meanings ascribed
to them in the Bankruptcy Code. Terms and phrases, whether capitalized or not, not defined
herein and not defined by the Bankruptcy Code, but which have been defined by motions and
orders filed in this Chapter 11 case have the meaning ascribed to them in such motions and orders.

 C. Rules of Interpretation. For purposes of this Plan: (a) any reference in the

1 Plan to a contract, instrument, release, indenture, or other agreement or document being in a
2 particular form or on particular terms and conditions; (b) any reference in the Plan to an existing
3 document or exhibit filed or to be filed means such document or exhibit as it may have been or
4 may be amended, modified, or supplemented; (c) unless otherwise specified, all references in the
5 Plan to Sections, Articles, Appendices, Schedules, and Exhibits are to the Sections, Articles,
6 Appendices, Schedules, and Exhibits of or to the Plan; (d) the words "herein" or "hereto" refer to
7 the Plan in its entirety rather than to a particular portion of the Plan; (e) the headings and captions
8 used in this Plan are for convenience and reference only and are not intended to be a part of or
affect the interpretation of the Plan and shall not limit or otherwise affect the provisions hereof; (f)
words denoting the singular number shall include the plural number and vice versa; (g) words
denoting one gender shall include the other gender; and (h) the rules of construction set forth in
Section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

9 D. Computation of Time. Excepted as otherwise stated in the Plan, in computing
10 any period of time prescribed by or allowed by the Plan, the provisions of Bankruptcy Rule
9006(a) shall apply.

11 **ARTICLE II: DESCRIPTION OF ADMINISTRATIVE EXPENSE AND**

12 **PRIORITY CLAIMS**

13 Class 1 Administrative Expense Claims largely consist of the fee claims of Estate
14 Professionals but it also may include Allowed Claims of those making a substantial contribution to
15 the case under Code §503(b)(3)(D) and (b)(4).
16

17 The Bankruptcy Court must approve all requests for the payment of professional
18 compensation and expenses to the extent incurred on or before the Confirmation Date. Each
19 Professional Person requesting compensation or reimbursement of expenses in the case pursuant to
20 Bankruptcy Code Sections 327, 328, 330, 331, 503(b) or 1103 shall file an application for
21 allowance of final compensation and reimbursement of expenses not later than twenty (20) days
22 after the Confirmation Date.
23

24
25 The Debtor has employed Parker Schwartz, PLLC ("Parker Schwartz") as General
26 Counsel for the Debtor-in-Possession. Parker Schwartz received a \$15,000.00 pre-petition retainer

1 from the Debtor. Additionally, the Cash Collateral Agreement provides a budget of \$7,000 per
2 month to be "carved out" to be used for the payment of fees to Parker Schwartz. Total approved
3 fees and costs were \$52,902.52 for services rendered through March 17, 2016. Of that, the Plan
4 Proponent understands that not less than \$45,000 has been paid, leaving approximately \$7,902.52
5 due as of 6/30/16. The Debtor is currently paying \$3,000 per month to satisfy the balance of the
6 approved fees and costs.
7

8 The Debtor has retained the services of Law & Reed, CPAs to serve as accountants for
9 the Estate. Its employment has been approved. The Court has determined that fees can only be paid
10 to Law & Reed after a duly noticed fee application has been filed. The Cash Collateral Agreement
11 provides a monthly "allowance" of \$500 to cover accounting fees and costs. Additionally, the
12 Court has approved the employment of Lela Lawless as Auditor. The Cash Collateral Agreement
13 provides for a \$20,000 budget to cover the costs of the Audit.
14

15 The Plan Proponent understands that (i) the Debtor has paid post-petition taxes to the
16 extent any have become due; and (ii) the Debtor does not believe that it is indebted to the Office of
17 the United States Trustee for any post-petition quarterly fee obligations. To the extent that such
18 fees are unpaid, they shall be paid no later than the Effective Date.
19

20 There are no scheduled or filed priority claims.

21 **ARTICLE III: CLASSIFICATION AND TREATMENT OF IMPAIRED CLAIMS** 22 **AND INTERESTS**

23 Holders of all claims and interests shall be bound by the provisions of this Plan and are
24 hereby classified below:

25 **A. Classes of Claims and Interests.** The Plan divides the Creditors and Equity Interests
26 into classes. The classes under the Plan are described below:

1 **1. Class 1: Creditors Holding Administrative Expense Claims:** All Allowed

2 Administrative Expense Claims will be paid on the Plan's Effective Date or pursuant to an
3 agreement reached between the Debtor and the Claimant or upon an Order approving the fees, if
4 funds are present.

5 Any unpaid (i) post-petition taxes or (ii) fees payable to the Office of the United States
6 Trustee shall be paid no later than the Effective Date.

7 Administrative Expense Claims are unimpaired.

8 **2. Class 2: Chase Secured Claim:** According to a 3/10/16 Proof of Claim filed in the
9 Case, JP Morgan Chase Bank ("Chase") is owed approximately \$6,611.23 secured by a Lien on a
10 2007 350R Mercedes (the "Vehicle"). According to the Debtor, the Vehicle is worth
11 approximately \$12,000. The Plan Proponent understands that monthly post-petition payments
12 have been made to Chase. The remaining Allowed Claim of Chase shall be paid in full on the
13 Effective Date. Chase is impaired.

14 **3. Class 3: Farmers' Group Credit Union aka Extensia Financial ("Extensia"):**

15 Class 3 consists of the Allowed Claim of Extensia in the amount of approximately \$2,177,000
16 secured by a Lien on a Super 8 Motel consisting of all of the Debtor's Real Property and Personal
17 Property located at 840 N. Dysart Road in Goodyear, Arizona (the "Motel"). The Debtor is
18 currently making adequate payments to Extensia pursuant to the Cash Collateral Order and intends
19 to continue to make those payments through the Effective Date. Extensia's Allowed Claim shall be
20 paid in full from a sale of the Motel, as discussed in Article V *infra*, with such sale to occur
21 between 45 days and 90 days after entry of the Confirmation Order. Extensia's Lien shall attach to
22 the sale proceeds, which shall be sufficient to fully pay Extensia's Allowed Claim, including any
23 post-petition interest. The precise amount payable to Extensia will be calculated to include all
24
25
26

1 accrued interest and all other amounts owing to Extensia pursuant to its loan documents through
2 and including the payoff date. Extensia is impaired.

3 **3A. Class 3A: Executory contracts:**

4 Debtor is lessee on a lease with APS for a lighting contract on the Motel that is designed
5 to save energy. Debtor is current on its obligations to APS. Except as otherwise agreed, the Debtor
6 will assume will assume and assign its rights and obligations under the Agreement to the purchaser
7 of the Motel.
8

9 Debtor is the franchisee on an executory contract (the “Franchise Agreement”) with
10 Super 8 for the Motel’s operation as a Super 8 Motel. The Franchise Agreement provides a
11 procedure for a Motel purchaser to obtain Super 8’s consent to an assignment. Debtor is current
12 on its obligations to Super 8 and will assume and assign its rights and obligations under the
13 Franchise Agreement to the purchaser of the Motel.
14

15 **4. Class 4: Unsecured Claims:**

16 Class 4 consists of the holders of Allowed Unsecured Claims. After payment in full to
17 the holders of Allowed Administrative Expense Claims, and by not later than five (5) business
18 days after the closing of the Motel sale, each Class 4 Allowed Unsecured Claim shall be paid in
19 full. Class 4 claims are impaired.
20

21 **5. Class 5 Equity Interests:** Class 5 consists of all holders of Equity Interests in the
22 Debtor (Ranjit Singh and Mrs. Singh). Absent an agreement between the Singhs to the contrary,
23 the court’s ruling in the Divorce Action shall determine their relative interests in the Debtor and
24 the disposition between them of the funds remaining after payment of all Allowed Claims.
25 Accordingly, all funds remaining after the Allowed Claims in Classes 1 through 4 have been fully
26 paid shall be distributed to or for the benefit of the holders of Allowed Class 5 Equity Interest in

1 accordance with either (i) the court's orders¹ in the Divorce Action or (ii) the written agreement of
2 Mrs. Singh and Ranjit Singh.

3 Holders of Class 5 Equity Interests are impaired.

4 **ARTICLE IV: ACCEPTANCE OR REJECTION OF THE PLAN**

5
6 A. Classes Entitled to Vote. Classes which are impaired are entitled to vote. An
7 Impaired Class of Claims shall have accepted the Plan if, of the Claims actually voting, the holders
8 (other than any holder designated under §1126(e) of the Bankruptcy Code) of at least two-thirds in
9 amount of the Allowed Claims and more than fifty (50%) in number of the Allowed Claims have
10 voted to accept the Plan.
11

12
13 B. Cramdown. The Plan Proponent may request Confirmation of the Plan, as it
14 may be modified from time to time, under § 1129(b) of the Bankruptcy Code even if all Impaired
15 Classes do not accept the Plan.
16

17 **ARTICLE V: IMPLEMENTATION OF THE PLAN**

18 The means of execution of the Plan are and will be as follows:

19 **5.1 Plan Effective Date.** The "Effective Date," as used in this Plan, means the first
20 Business Day that is fourteen (14) calendar days after the later of the date on which (a) the
21 Confirmation Order has been entered and (b) no stay of the Confirmation Order is in effect;
22 provided, however, the Effective Date may occur on such other date as agreed to in writing by the
23 Debtor, Extensia, and the Plan Proponent. Notwithstanding the foregoing, if the Confirmation
24
25

26 ¹ That includes (without limitation) an order directing the transfer of funds to an interest-bearing
account in Canada pending a substantive order by the court in the Divorce Action determining the

1 Order is not a Final Order, the Debtor and the Plan Proponent may waive the requirement that the
2 Confirmation Order shall have become a Final Order.

3 **5.2 Source of Funding.** Payments to Allowed Claims of Classes 1-4 and distributions to
4 Class 5 will be funded from (i) Cash on hand; (b) the Net Proceeds from the sale (private or
5 public) of the Property of any kind belonging to the Debtor and/or its bankruptcy estate, including
6 (without limitation) the Motel and the Vehicle (collectively, the “Property”); and (c) Stockholder
7 Loans. (Note: “Net Proceeds,” as used in this Plan, shall mean an amount equal to the gross sale
8 proceeds less the associated sale costs, including (without limitation) any auctioneer’s fees,
9 brokers fees and/or real property tax liability of any kind arising out of or in connection with such
10 sale.)
11

12 **5.3 Stockholder Loans.** If and to the extent needed to timely meet any Plan payment
13 obligations, either of the holders of Equity Interests may, but shall not be obligated to, make short-
14 term loans to the Debtor (the “Stockholder Loans”). Any Stockholder Loans shall be non-interest
15 bearing and shall be re-paid from the Net proceeds of the Motel sale remaining after payment of
16 Extensia’s Allowed Claim balance.
17

18 **5.4 Liquidating Agent.** On the Effective Date, Eric M. Haley (or, if unwilling or unable
19 to serve, such other Person as the Debtor and/or Plan Proponent recommend and the Bankruptcy
20 Court approves) shall be immediately appointed Liquidating Agent. The Liquidating Agent is
21 hereby authorized to liquidate on behalf of the Debtor the Property, including the Motel, in
22 accordance with this Plan and to oversee and operate and the Motel pending its sale. Without
23 limitation, the Liquidating Agent shall be fully empowered and authorized (without further order
24 of the Bankruptcy Court), to market for sale and/or to sell and/or dispose of the Property, and shall
25
26

disposition of the funds.

1 have the power and authority (without the need for a further hearing or order of the Bankruptcy
2 Court) to execute all contracts of sale and other documents necessary to effectuate the sale of
3 Property. With respect to its authority to oversee and operate the Motel pending its sale, the
4 Liquidating Agent shall, among other things, (i) make all personnel decisions, including the hiring
5 or firing of employees (including, without limitation, any Motel supervisors or officers of the
6 Debtor who are on payroll); (ii) oversee and approve all disbursements; and (iii) oversee and make
7 all property management decisions.
8

9 The Liquidating Agent also shall take any such other actions as are needed to assist the
10 Debtor in complying with this Plan, including (i) selling the Property; (ii) making Plan
11 distributions to creditors; and (iii) winding down operations. This includes, without limitation, all
12 of the actions described in Sections 5.5, 5.6 (including 5.6.1-5.6.10), and 5.7 below. As
13 compensation for his services, the Liquidating Agent shall be entitled to receive from the Debtor a
14 fee of \$300.00 per hour plus reimbursement of actual out-of-pocket costs. If and to the extent
15 necessary to perform any tasks called for by the Plan, the Liquidating Agent shall be made an
16 officer of the Debtor.
17

18 **5.5 Sale of Vehicle.** The Vehicle is listed by the Debtor as having a value of
19 approximately \$12,000, and Chase asserts (in its proof of claim) that it has a value of \$10,461.
20 The Vehicle shall be sold on an arms-length basis any time after entry of the Confirmation Order
21 without further court order, and the Net Proceeds therefrom shall be used to fund the Plan.
22

23 **5.6 Sale of the Motel.** Jaswant Singh Toor (the “Stalking Horse Bidder”) has provided a
24 letter of intent to purchase the Motel for the sum of \$3.125 million, a copy of which is attached as
25 Exhibit C to the Disclosing Statement. (the “Stalking Horse Bidder”). Jaswant Singh Toor (or, if
26 he is unwilling or unable to serve, such other Person as the Plan Proponent recommends and the

1 Bankruptcy Court approves) shall serve as the “Stalking Horse Bidder.” Prior to the Plan
2 confirmation hearing, the Stalking Horse Bidder shall deposit the sum of \$250,000 (the “**Deposit**”)
3 into an escrow account (the “**Segregated Account**”) with a licensed local escrow agent that shall
4 be opened for the purpose of concluding a sale of the Motel. The Motel shall be sold free and clear
5 of all liens; provided, however, that (i) any such liens shall attach to the sale proceeds and (ii) the
6 sale price must be sufficient to fully satisfy all liens. The Debtor shall contact other parties the
7 Debtor (including its officers and other agents) believes may potentially be willing, qualified, and
8 financially able to consummate a purchase of the Motel. The Debtor may distribute an information
9 package to any such parties with such materials as the Debtor deems appropriate under the
10 circumstances. The Debtor, Plan Proponent, and/or Court shall incorporate such additional
11 safeguards and procedures as are needed to give the Stalking Horse and other interested parties
12 appropriate access to information and opportunity to conduct due diligence.
13
14

15 **5.6.1** The court shall schedule an auction sale (the “**Auction Sale**”) of the Motel not later
16 than 45 days or greater than 90 days after entry of the Confirmation Order. Any prospective
17 bidder other than the Stalking Horse Bidder (each a “**Potential Bidder**”) that wishes to participate
18 in the bidding process for the Motel must, no later than **ten calendar days prior to the Auction**
19 **Sale date at 5:00 p.m. (Prevailing Arizona Time)** (the “**Bid Deadline**”):
20

21 a. submit a bid (calling for payment in cash at closing) in an initial amount equal to
22 the sum of at least (i) \$3,125,000 plus (ii) an overbid amount of \$50,000;

23 b. agree to follow the procedure for obtaining Super 8’s consent to the Franchise
24 Agreement and, if it is the Winning Bidder, assume the obligations under, and accept an
25 assignment of, the Franchise Agreement.
26

1 c. make a good faith Cash deposit in the form of a cashier's check or wire transfer,
2 in the amount of \$250,000 (the "**Bid Deposit**") into a segregated, interest-bearing escrow account
3 (the "**Segregated Account**") that shall be opened by the Debtor for this purpose. The Bid Deposit
4 shall immediately become non-refundable and will be credited toward the purchase consideration
5 if and when the transaction with the Potential Bidder making such deposit is approved by the Court
6 as the winning bid (the "**Winning Bid**" and the "**Winning Bidder**") at the Auction Sale hearing
7 and such transaction is closed. If a Potential Bidder's bid is not approved as the Winning Bid or
8 the Back-Up Bid at the Sale Hearing, the Bid Deposit of such bidder, plus accrued interest, if any,
9 will be returned to such bidder within three (3) business days after the conclusion of the Sale
10 Hearing.
11

12 d. provide written evidence of its financial ability to fully and timely complete the
13 purchase of the Motel.
14

15 **5.6.2** If a Potential Bidder complies with all the requirements described in paragraph
16 5.6.1 above (including the Bid Deposit) by the Bid Deadline, the Debtor, in consultation with the
17 Plan Proponent, will determine whether (i) the Potential Bidder has demonstrated the legal
18 qualification and financial ability to consummate the proposed transaction, (ii) is reasonably likely
19 to be able to and willing to consummate the contemplated sale, and (iii) has otherwise satisfied all
20 of the requirements described in paragraph 2, above. If so, the Debtor shall designate the Potential
21 Bidder as a "**Qualified Bidder**" and such bid as a "**Qualified Bid**." The Debtor shall (a) promptly
22 notify the Stalking Horse Bidder of the identity of any other Qualified Bidder. For the avoidance
23 of doubt, the Stalking Horse Bidder is deemed to be a Qualified Bidder and the Stalking Horse Bid
24 is deemed to be a Qualified Bid for all purposes.
25
26

1 **5.6.3** If the Debtor receives at least one (1) Qualified Bid from a Qualified Bidder
2 (other than the Stalking Horse Bidder) prior to the Bid Deadline, then the Debtor shall notify the
3 Stalking Horse Bidder and each other Qualified Bidder that the Debtor intends to conduct the
4 Auction Sale. The Auction Sale hearing shall be held on a date selected by the court not later than
5 45 days or greater than 90 days after entry of the Confirmation Order in Courtroom 601 in the
6 United States Bankruptcy Court for the District of Arizona, 230 North First Avenue, Phoenix, AZ
7 85003. Each Qualified Bidder participating at the Auction Sale will be required to confirm that (a)
8 it has not engaged in any collusion with respect to the bidding or the sale and (b) its Qualified Bid
9 does not contain any due diligence contingency. The Auction Sale will be conducted openly, and
10 any party in interest will be permitted to attend.
11

12 **5.6.4** Only the Stalking Horse Bidder and other Qualified Bidders may bid at the
13 Auction. Copies of all Qualified Bids shall be provided to Plan Proponent, the Stalking Horse
14 Bidder and each other Qualified Bidder by no later than one (1) business day prior to the Auction.
15 At the commencement of the Auction Sale, the Debtor and Plan Proponent shall identify the bid
16 that they have determined to be the highest and/or best offer and shall permit the Stalking Horse
17 Bidder and other Qualified Bidders to submit higher and/or better bids. Each subsequent bid must
18 exceed the amount of the preceding bid by not less than \$50,000 and shall not be modified in a
19 manner that causes it no longer to be a Qualified Bid.
20
21

22 **5.6.5** The Court will supervise the bidding process and conduct the Auction Sale in
23 such a manner as to provide the Stalking Horse Bidder and other Qualified Bidders a full, fair and
24 equal opportunity to participate in the Auction. The Court, after hearing from the Debtor and Plan
25 Proponent, shall (i) determine which Qualified Bid is the highest and/or best bid and (ii) authorize
26 the Debtor to consummate the sale of the Motel to such proposed Winning Bidder.

1 **5.6.6** If the Debtor does not receive at least one (1) Qualified Bid from a Qualified
2 Bidder other than the Stalking Horse Bidder, then no Auction Sale shall be conducted; and the
3 Court at the Auction Sale hearing shall solely consider the approval of the sale of the Motel to the
4 Stalking Horse Bidder and not any competing or alternative offers or proposals to purchase the
5 Motel.
6

7 **5.6.7** If the Debtor receives at least one (1) Qualified Bid from a Qualified Bidder
8 other than the Stalking Horse Bidder, then the Auction Sale shall be conducted; and the Court at
9 the Auction Sale Hearing shall determine the Winning Bidder, approve the Back-Up Bidder, if
10 necessary, and consider approval of the sale of the Motel to the Winning Bidder.
11

12 **5.6.8** Upon approval by the Court of a Winning Bidder other than the Stalking Horse
13 Bidder, the Bid Deposit of such Winning Bidder shall become non-refundable if the purchase
14 agreement of such Winning Bidder is thereafter terminated by the Debtor as a result of a breach by
15 the Winning Bidder of its obligations thereunder. If the Back-Up Bidder is a Qualified Bidder
16 other than the Stalking Horse Bidder, then the Bid Deposit of the Back-Up Bidder shall remain on
17 deposit in the Segregated Account pending the closing of the sale, and such deposit shall become
18 non-refundable if the Back-Up Bidder becomes the proposed Winning Bidder and its purchase
19 agreement is thereafter terminated by the Debtor as a result of a breach by such Back-Up Bidder.
20 If a dispute arises over whether a Bid Deposit is refundable or non-refundable, the Bid Deposit
21 shall remain in the Segregated Account pending a determination of the dispute by the Court or
22 written agreement of the parties.
23

24 **5.6.9** If the Stalking Horse Bidder becomes the Winning Bidder, but the purchase
25 agreement is terminated pursuant to its terms by the Debtor as a result of a breach by the Stalking
26 Horse Bidder of its obligations thereunder, the Stalking Horse Bidder shall forfeit its Deposit. If a

1 Qualified Bidder other than the Stalking Horse Bidder becomes the proposed Winning Bidder, but
2 the purchase agreement of such bidder is terminated pursuant to its terms by the Debtor as a result
3 of a breach by the proposed Winning Bidder of any of its obligations thereunder, such bidder shall
4 forfeit its Bid Deposit. In either case, the forfeiture of the Deposit or the Bid Deposit, as the case
5 may be, shall constitute liquidated damages and the Debtor shall retain no other rights, remedies,
6 claims, counterclaims and defenses against the Stalking Horse Bidder or such other Qualified
7 Bidder, as applicable.
8

9 **5.6.10** Upon the earlier of either (i) the termination of Ranjit Singh's employment by
10 the Liquidating Agent; (ii) order of the court terminating Ranjit Singh's employment,
11 compensation, and/or residency at the Motel; or (iii) completion of the Motel sale, any and all
12 compensation of any kind being paid by the Debtor to Ranjit Singh shall cease, and Ranjit Singh
13 shall vacate any portion of the Motel which he is occupying. Upon the completion of the Motel
14 Sale, the Debtor shall wind-up its operations.
15

16 **5.7 Preservation and Disposition of Estate Claims.** The Debtor shall retain any and all
17 Estate Claims. In accordance with Bankruptcy Code §1123(b)(3)(B), all of the Debtor's Estate
18 Claims will survive the entry of the Confirmation Order and the Effective Date; they will not be
19 discharged by the Plan; and they will become and remain Property of the Debtor after the Effective
20 Date.
21

22 The Auditor shall complete the Examination, and the Liquidating Agent shall review and
23 consider it in determining whether there are any Estate Claims identified therein. Except as the
24 Equity Interest holders otherwise agree and instruct the Liquidating Agent in writing, the
25 Liquidating Agent shall have the right to further investigate the Estate Claims as and to the extent
26 reasonably necessary and shall be authorized to retain litigation counsel to prosecute such Estate

1 Claims as it deems appropriate. (The amount of any reasonable legal fees and expenses incurred
2 by the Liquidating Agent on or after the Effective Date shall be paid from funds remaining after
3 the payment of all Allowed Claims in Classes 1 through 4.) The Liquidating Agent also shall have
4 the power to settle or abandon Estate Claims. Notwithstanding the foregoing or anything to the
5 contrary contained herein, the prosecution, settlement, or abandonment of any Estate Claim shall
6 be done in consultation with the Equity Interest Holders; provided, however, that with respect to
7 an Estate Claim against an Equity Interest holder, such Equity Interest holder shall not be
8 consulted with respect to the prosecution or settlement of that claim. In the event of a
9 disagreement between the Liquidating Agent and the consulted Equity Interest holder(s), the
10 latter's decision shall control.
11

12 Nothing contained herein is intended to address any claims that Mrs. Singh or Ranjit
13 Singh has in his/her personal capacity against the other (the "Individual Claims"), including
14 (without limitation) any direct claims that either may have in connection with the operation of the
15 Debtor or its financial affairs. On the contrary, any Individual Claims belong to the individual
16 Singh claimant and shall be addressed in the Divorce Action.
17

18 Upon a determination that the Estate Claims will be handled by the Liquidating Agent
19 and the Individual Claims between Mrs. Singh and Ranjit Singh will be handled in the Divorce
20 Action, the State Court Action shall be dismissed.
21

22 After the Plan has been fully consummated and the processing of Estate Claims has been
23 completed, the Equity Holders shall dissolve the Debtor or take such other action to wrap up or
24 conclude its corporate existence as they agree.

25 **ARTICLE VI: CONFIRMATION**

26 **6.1 Confirmation by Non-Acceptance Method**

1 The Plan Proponent hereby requests, if necessary, confirmation of the Plan pursuant to
2 Section 1129(b) of the Bankruptcy Code with respect to any impaired Class of Claims that does
3 not vote to accept the Plan.

4 **6.2 Binding Effect Of Plan**

5 When confirmed, the provisions of the Plan shall bind the Debtor and any person or
6 entity holding a Claim against the Debtor and its Estate, whether asserted or non-asserted, and any
7 person asserting an interest in the Debtor, whether or not a Claim or Interest of such person or
8 entity arose before or after the Petition Date or the Effective Date, whether or not the Claim or
9 Interest is impaired under the Plan, and whether or not such person or entity has accepted the Plan.
10

11 **6.3 Effect Of Confirmation**

12 Except as otherwise provided herein, the rights afforded in the Plan shall be in exchange
13 for and in complete satisfaction, discharge and release of all claims against the Debtor of any
14 nature whatsoever. All such claims against the Debtor shall be satisfied, discharged and released in
15 full. Except as otherwise provided herein, all holders of claims against the Debtor shall be
16 precluded from asserting against the Debtor, its Estate, or the Property of the Debtor or its Estate
17 any other or further claim based upon any omission, transaction or other activity of any kind or
18 nature that occurred prior to the Effective Date. No third party shall obtain the benefit of the
19 discharge, and the injunctive relief barring suit against any co-Debtors shall not affect any co-
20 Debtors' liability to creditors. This discharge shall be effective as to each claim, regardless of
21 whether the claim is listed on the Debtor's Schedules filed in these Chapter 11 proceedings,
22 whether a proof of claim was filed, whether such proof of claim was withdrawn, whether the claim
23 is an Allowed Claim, in whole or in part, or whether the holder of the claim votes to accept or
24
25
26

1 reject the Plan. Upon the Effective Date, all the property of the Debtor will vest in the Debtor,
2 which, subject to the obligation set forth in the Plan, may utilize the property free of any burdens
3 of the Bankruptcy Code and without need to obtain Court approval of its actions.
4

5 **6.4 Modification or Plan**

6 The Plan may be modified in accordance with the provisions of the Bankruptcy Code and
7 Chapter 11 as follows:

8 **1. Pre-Confirmation**

9 In accordance with Section 1127(a) of the Bankruptcy Code, the modification of the Plan
10 may be proposed in writing by the Plan Proponent at any time before its Confirmation, provided
11 that the Plan, as thus modified, meets the requirements of Sections 1122 and 1123 of the Code and
12 the Proponent complies with Section 1125 of the Code.
13

14 **2. Post-Confirmation**

15 In accordance with Section 1127(b) of the Bankruptcy Code, the Plan also may be
16 modified at any time after its Confirmation and before its substantial consummation, provided that
17 the Plan as thus modified meets the requirements of Sections 1122 and 1123 of the Code, provided
18 further that the circumstances then existing justify such modification and the Court confirms the
19 Plan as thus modified under Section 1129 of the Code.
20

21 **3. Objections**

22 Any holder of a Claim or Interest that has accepted or rejected the Plan will be deemed to
23 have accepted or rejected, as the case may be, the Plan as modified unless, within the time fixed by
24 the Bankruptcy Court for doing so, such holder changes its previous acceptance or rejection.
25

26 **4. Effect**

1 Every modification of the Plan will supersede the previous version of the Plan as and
2 when ever each modification is effective. When superseded, the previous version of the Plan will
3 be in the nature of a withdrawn or rejected settlement proposal, and will be null, void and unusable
4 by the Proponent or any other party for any purposes whatsoever with respect to any of the
5 contents of such version of the Plan.
6

7 **ARTICLE VII: CLAIMS ADJUDICATION AND DISTRIBUTION**

8 **7.1. Preservation of Debtor's Claims, Demands, and Causes of Action**

9 As discussed in Plan §5.7, the Debtor shall retain any and all Estate Claims. In
10 accordance with Bankruptcy Code §1123(b)(3)(B), all of the Debtor's Estate Claims will survive
11 the entry of the Confirmation Order and the Effective Date; they will not be discharged by the
12 Plan; and they will become and remain Property of the Debtor after the Effective Date. The
13 provisions of Plan §5.7 control the further handling and disposition of the Estate Claims.
14

15 **7.2 Procedure for Determination of Claims**

16 **1. Objections to Claims**

17 Except as to any Claim that has been allowed prior to the Effective Date, no later than the
18 last business day prior to the Effective Date, the Debtor, Plan Proponent, or any party in interest
19 may object to the allowance of any Claim against the Debtor or seek estimation thereof on any
20 Claim (including any Claim amounts stated in the Plan).
21

22 **2. Disputed Claims**

23 No payments or other distributions will be made to holders of Claims unless and until such
24 Claims are Allowed Claims pursuant to a Final Order. If a Claim is not an Allowed Claim by or
25 on the Effective Date or when payment is otherwise due under the Plan, payment of the Allowed
26

1 Claim will be made when a Claim becomes an Allowed Claim after the Effective Date or as
2 otherwise specifically provided in the Plan.

3 **7.3 Provisions Governing Distributions**

4 **1. Distributions by Debtor**

5 All Allowed Claims against the Debtor will be paid by the Debtor according to the Plan.

6 **2. Delivery of Distributions**

7 Subject to Bankruptcy Rule 9010, distributions and deliveries to each holder of an Allowed
8 Claim will be made at the address of such holder as set forth on the respective Proof of Claim (or
9 at the last known address of such holder if no Proof of Claim is Filed or if the Debtor has been
10 notified of a change of address) as of the last business day prior to the Effective Date. If any
11 holder's distribution is returned as undeliverable, no further distribution to such holder will be
12 made unless and until the Debtor is notified of such holder's then current address, at which time all
13 missed distributions will be made to such holder without interest. The Debtor will be under no
14 obligation to attempt to locate the holder of any Allowed Claim or to recognize any purported
15 transfer or encumbrance on the rights of holders of Allowed Claims after the Confirmation Date.
16 Amounts of undeliverable distributions attempted by the Debtor will be retained by the Debtor
17 until such distributions are claimed or become unclaimed property. All Claims for undeliverable
18 distributions will be made on or before sixty (60) days following the first anniversary of the
19 Effective Date. After such date, all unclaimed property will revert to and become the property of
20 the Debtor.
21
22
23

24 **3. Means of Payment**

25
26

1 Payments made to holders of Allowed Claims pursuant to the Plan will be in United States
2 Dollars by checks drawn on the domestic bank selected by the Debtor, or by wire transfer from a
3 domestic bank, at the option of the Debtor.

4 **4. Interest**

5 Whenever interest is to be computed under the Plan, interest will be simple interest and not
6 compounded. Unless otherwise specifically provided for in the Plan or the Confirmation Order,
7 post-petition interest shall not accrue or be paid on Claims, and no holder of a Claim will be
8 entitled to interest accruing on or after the applicable Petition Date on any Claim.

9 **5. Extension of Payment Dates**

10 If any payment date falls due on any day that is not a Business Day, then such due date will
11 be extended to the next Business Day.
12
13
14
15

16 **ARTICLE VIII: GENERAL PROVISIONS**

17 **A. Notices**

18 Any notice required or permitted to be provided under the Plan will be in writing and
19 served by regular postage prepaid first-class mail, hand-delivery, facsimile, or e-mail.

20 **B. General Injunction**

21 Except as otherwise expressly provided in the Plan, the Confirmation Order shall provide,
22 among other things, that all parties-in-interest who have held, hold, or may hold Claims against
23 the Debtor are permanently enjoined on and after the Effective Date from: (a) commencing or
24 continuing in any manner any action or other proceeding of any kind with respect to any such
25 Claim against the Debtor or any successor-in-interest of the Debtor, against property of the Debtor,
26

1 or against property of any successor-in-interest of the Debtor; (b) the enforcement, attachment,
2 collection, or recovery by any manner or means of any judgment, award, decree, or order against
3 the Debtor or any successor-in-interest of the Debtor, property of the Debtor, or against property of
4 any successor-in-interest of the Debtor with respect to any such Claim; (c) creating, perfecting, or
5 enforcing any encumbrance of any kind against the Debtor or any successor-in-interest of the
6 Debtor, against property of the Debtor, or against property of any successor-in-interest of the
7 Debtor with respect to any such Claim; (d) from asserting any setoff, right of subrogation, or
8 recoupment of any kind against any obligation due the Debtor or any successor-in- interest of the
9 Debtor, against property of the Debtor, or against property of any successor-in-interest of the
10 Debtor, with respect to any such Claim; (e) conducting any form of discovery from the Debtor
11 with respect to any such Claim, or any successor-in-interest of the Debtor; and/or (f) harassing the
12 Debtor or any successor-in-interest of the Debtor.
13
14

15 Notwithstanding the foregoing or anything to the contrary contained herein, nothing shall
16 stay or prevent the continuance of the Divorce Action.

17 **C. Vesting**

18 As of the Effective Date, and except as otherwise provided in the Plan, the Debtor shall
19 retain and be vested with all of the Property of the Estate. All Property retained shall be free and
20 clear of all liens, claims, and interest of creditors and parties-in-interest, except as specifically
21 provided in the Plan.
22

23 **D. Successors and Assigns**

24 The rights and obligations of any Creditor or other party-in-interest referred to in the Plan
25 will be binding upon, and will inure to the benefit of, the successors, assigns, heirs, devisees,
26 executors, and personal representatives of such Creditor or party-in-interest.

1 **E. Withdrawal of Plan**

2 The Plan may be withdrawn or revoked by the Plan Proponent at any time before entry of
3 the Confirmation Order.

4 **F. Severability and Reformation**

5 It is the intention of Plan Proponent to comply fully with the Bankruptcy Code and
6 applicable non-bankruptcy law in proposing the Plan. Therefore, if any provision of the Plan is
7 determined by the Bankruptcy Court to be contrary to the Bankruptcy Code or applicable non-
8 bankruptcy law, that provision will be deemed severed and automatically deleted from the Plan, if
9 it cannot be reformed or the provision or its interpretation will be deemed reformed to ensure
10 compliance; provided, however, that nothing contained in this paragraph will prevent the Plan
11 Proponent from modifying the Plan in any manner whatsoever in accordance with and as set forth
12 in the Plan. Pursuant to any ruling by the Bankruptcy Court regarding the subject matter of this
13 paragraph, any such severance or reformation will be stated specifically in the Confirmation Order,
14 which then will control notwithstanding any contrary or inconsistent provisions of the Plan.
15

16 **G. Payment of Statutory Fees and Filing of Quarterly Reports**

17 All fees payable pursuant to 28 U.S.C. § 1980, as determined by the Bankruptcy Court at or
18 in conjunction with the Confirmation Hearing, will be paid on or before the Effective Date and,
19 thereafter, in accordance with applicable bankruptcy law. All quarterly reports of disbursements
20 required to be filed by applicable bankruptcy law will be filed in accordance with applicable
21 bankruptcy law.
22

23 **H. Governing Law**

24 Except to the extent that the Bankruptcy Code is applicable, the rights and obligations
25 arising under the Plan shall be governed by, construed, and enforced in accordance with, and
26

1 subject to, the laws of the State of Arizona, excluding any laws that result in the application of the
2 laws of another jurisdiction. Notwithstanding the foregoing or anything to the contrary contained
3 herein, the relative ownership interests of the stockholders in the Debtor shall be determined in
4 accordance with applicable non-bankruptcy law, including the law of their marital domicile,
5 British Columbia, Canada.
6

7 **I. Conflicts Between Plan and Confirmation Order**

8 In the event the terms of the Plan and the Confirmation Order conflict, the terms of the
9 Confirmation Order shall govern.

10 **J. Retention of Jurisdiction.**

11 After the Effective Date, the Bankruptcy Court shall retain and have exclusive jurisdiction
12 over the Bankruptcy Case for the following purposes:
13

- 14 (a) To determine any and all objections to the allowance of Claims;
- 15 (b) To determine any and all applications for allowances of
16 compensation and reimbursement of expenses and any other fees and expenses authorized to be
17 paid or reimbursed under the Bankruptcy Code or this Plan;
- 18 (c) To determine any applications for the rejection or assumption of
19 Executory contracts or unexpired leases or for the assumption and assignment, as the case may be,
20 of Executory contracts or unexpired leases to which Debtor is a party or with respect to which
21 Debtor may be liable, and to hear and determine, and if need be, to liquidate any and all Claims
22 arising therefrom;
- 23 (d) To determine any and all applications, adversary proceedings and
24 contested or litigated matters pending on the Effective Date;
- 25 (e) To consider any modifications of this Plan, remedy any defect or
26 omission or reconcile any inconsistency in any order of the Bankruptcy Court, including the
Confirmation Order;
- (f) To determine any and all controversies, suits and disputes that may
arise in connection with the interpretation, enforcement or consummation of this Plan or any
person's or entity's obligations thereunder;

1 (g) To determine all controversies, suits and disputes arising as a result
2 of a demand by any utility for a deposit or other form of security as a condition to providing post-
confirmation utility services to Debtor;

3 (h) To determine all controversies, suits and disputes of this Plan as a
4 result of discriminatory treatment of Debtor;

5 (i) To hear and determine any claim or cause of action by or against
6 Debtor, and to consider and act on the compromise and settlement of any claim or cause of action
by or against Debtor;

7 (j) To issue such orders in aid of execution of this Plan, as are
8 authorized by § 1142 of the Bankruptcy Code;

9 (k) To determine such other matters as may be set forth in the
Confirmation Order or as may arise in connection with this Plan or the Confirmation Order; and

10 (l) To interpret Orders entered in this case during its administration and
11 confirmation of the Plan.

12 Nothing in this retention of jurisdiction shall prevent the Court from entering an order of Final
13 Decree when performance under this Plan has been substantially consummated.

14
15 Dated as of August 16, 2016

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